

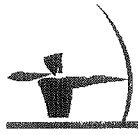
STAND! For Families Free of Violence
(A Nonprofit Corporation)

FINANCIAL REPORT

JUNE 30, 2015
(with comparative totals for 2014)

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B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
STAND! For Families Free of Violence
(A Nonprofit Corporation)
Concord, California

Report on the Financial Statements

We have audited the accompanying financial statements of **STAND! For Families Free of Violence (A Nonprofit Corporation)**, which are comprised of the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Established 1949
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STAND! For Families Free of Violence as of June 30, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of California Emergency Management Agency Programs is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2015 on our consideration of STAND! For Families Free of Violence's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STAND! For Families Free of Violence's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the STAND! For Families Free of Violence June 30, 2014 financial statements, and our report dated November 4, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bowman & Company, LLP

Stockton, California
November 13, 2015

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

ASSETS	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,201,634	\$ 1,488,847
Accounts receivable, net	801,495	747,320
Ground lease receivable	--	1,902
Prepaid expenses	<u>78,487</u>	<u>75,869</u>
Total current assets	2,081,616	2,313,938
PROPERTY AND EQUIPMENT, net	1,757,856	1,911,640
OTHER ASSETS		
Deposits	10,149	9,679
Investments - restricted	124,171	124,171
Investments	<u>454,463</u>	<u>452,578</u>
Total assets	<u>\$ 4,428,255</u>	<u>\$ 4,812,006</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 119,783	\$ 78,822
Accrued vacation	167,108	176,445
Accrued payroll	--	101,831
Accrued expenses	28,456	12,479
Deferred revenue	107,595	58,387
Advance from HUD	171,093	171,093
Notes payable, current portion	<u>9,667</u>	<u>9,061</u>
Total current liabilities	<u>603,702</u>	<u>608,118</u>
LONG TERM LIABILITIES		
Notes payable, less current portion	<u>702,698</u>	<u>712,358</u>
Total liabilities	<u>1,306,400</u>	<u>1,320,476</u>
NET ASSETS		
Unrestricted	2,928,767	3,247,196
Temporarily restricted	68,917	120,163
Permanently restricted - endowment fund	<u>124,171</u>	<u>124,171</u>
Total net assets	<u>3,121,855</u>	<u>3,491,530</u>
Total liabilities and net assets	<u>\$ 4,428,255</u>	<u>\$ 4,812,006</u>

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

(With Comparative Totals for 2014)

	Year Ended June 30, 2015			Total	2014 Total
	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds		
PUBLIC SUPPORT AND REVENUE					
Public support					
Contributions	\$ 796,453	\$ 62,500	\$ --	\$ 858,953	\$ 909,503
Special events	144,944	--	--	144,944	121,281
In-kind donations	341,358	--	--	341,358	261,668
Total public support	1,282,755	62,500	--	1,345,255	1,292,452
Revenue					
Government grants and support	4,425,702	--	--	4,425,702	4,298,336
Fees and sales	44,153	--	--	44,153	53,337
Rental income	17,274	--	--	17,274	46,580
Investment returns	7,576	--	--	7,576	53,869
Miscellaneous	7,805	--	--	7,805	2,847
Release of temporarily restricted net assets - Contributions	113,746	(113,746)	--	--	--
Total revenue	4,616,256	(113,746)	--	4,502,510	4,454,969
Total public support and revenue	5,899,011	(51,246)	--	5,847,765	5,747,421
EXPENSES					
Program services	4,809,291	--	--	4,809,291	4,533,868
Supporting services	1,408,149	--	--	1,408,149	1,211,760
Total expenses	6,217,440	--	--	6,217,440	5,745,628
Change in net assets	(318,429)	(51,246)	--	(369,675)	1,793
Net assets, beginning of year	3,247,196	120,163	124,171	3,491,530	3,489,737
Net assets, end of year	\$ 2,928,767	\$ 68,917	\$ 124,171	\$ 3,121,855	\$ 3,491,530

STAND! FOR FAMILIES FREE OF VIOLENCE
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STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2015
(With Comparative Totals for 2014)

Year ended June 30, 2015

	Total Program Services	Supporting Services			Total Expenses	2014 Total Expenses
		Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 2,982,453	\$ 519,867	\$ 219,369	\$ 739,236	\$ 3,721,689	\$ 3,537,669
Payroll taxes and benefits	639,200	46,247	19,836	66,083	705,283	626,959
Inkind expense	250,325	13,848	79,045	92,893	343,218	284,008
Telephone & utilities	103,813	61,133	1,482	62,615	166,428	174,637
Depreciation	151,646	24,706	--	24,706	176,352	170,278
Other	125,911	120,951	42,782	163,733	289,644	151,622
Payments to collaborators	90,832	--	--	--	90,832	120,907
Travel	113,175	1,327	848	2,175	115,350	110,666
Rent and equipment rental	58,849	13,861	5,855	19,716	78,565	76,411
Supplies	52,078	7,331	1,470	8,801	60,879	70,867
Repairs & maintenance	96,724	10,235	47	10,282	107,006	69,890
Insurance expense	49,866	15,687	--	15,687	65,553	59,645
Dues, fees & subscriptions	3,173	31,412	17,200	48,612	51,785	52,554
Janitorial	15,860	16,183	--	16,183	32,043	38,373
Professional services	7,633	25,206	6,972	32,178	39,811	38,276
Printing	5,841	597	29,036	29,633	35,474	35,636
Special events	--	--	42,063	42,063	42,063	32,224
Interest	19,053	--	--	--	19,053	19,771
Training	5,200	4,613	120	4,733	9,933	18,021
Postage	1,412	1,270	6,155	7,425	8,837	13,077
Property taxes	6,931	5,930	59	5,989	12,920	11,337
Food	11,715	117	(4)	113	11,828	9,973
Network communications	727	9,307	--	9,307	10,034	9,061
Public relations & advertisements	4,553	4,578	1,408	5,986	10,539	7,554
Emergency assistance	12,321	--	--	--	12,321	6,212
Totals	\$ 4,809,291	\$ 934,406	\$ 473,743	\$ 1,408,149	\$ 6,217,440	\$ 5,745,628

STAND! FOR FAMILIES FREE OF VIOLENCE
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STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (369,675)	\$ 1,793
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	176,352	170,278
Provision for doubtful accounts	--	16,934
Realized and unrealized gain on investments	7,656	(43,265)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(56,000)	20,949
Pledges receivable	1,825	1,733
Ground lease receivable	1,902	22,340
Prepaid expenses	(2,618)	12,247
Deposits	(470)	(280)
(Decrease) increase in:		
Accounts payable	40,961	(8,858)
Accrued vacation	(9,337)	29,465
Accrued payroll	(101,831)	32,028
Accrued expenses	15,977	(12,786)
Deferred revenue	49,208	33,813
Net cash provided by (used in) operating activities	(246,050)	276,391
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, furniture and equipment	(22,568)	--
Proceeds from sale of investments	11,895	90,190
Purchases of investments	(21,436)	(139,240)
Net cash provided by (used in) investing activities	(32,109)	(49,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(9,054)	(8,308)
Net cash provided by (used in) financing activities	(9,054)	(8,308)
Net increase (decrease) in cash and cash equivalents	(287,213)	219,033
Cash and cash equivalents, beginning of year	1,488,847	1,269,814
Cash and cash equivalents, end of year	\$ 1,201,634	\$ 1,488,847
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 19,053	\$ 19,771

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

STAND! for Families Free of Violence, a Nonprofit Corporation, (the Organization) formerly STAND! Against Domestic Violence, incorporated September 14, 1977, merged with the Family Stress Center, Inc. on July 1, 2010. The Organization operates a 24 hour crisis line; housing centers for battered women and their children; group and individual counseling; legal services; an employment assistance program; a battering abatement program; child abuse; and prevention programs.

A summary of significant accounting policies applied in the preparation of the financial statement follows:

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30 of the prior year, from which the summarized information was derived.

The Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets:

Unrestricted net assets are those net assets presently available for use by the Organization at the discretion of the Board of Directors. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board designated operating net assets.

Temporarily Restricted Net Assets:

Temporarily restricted net assets reflect donor contributions or grant revenue with restrictions that expire when a time restriction ends or purpose restriction is accomplished.

Permanently Restricted Net Assets – Endowment Fund:

Permanently restricted net assets-endowment fund consists of an endowment fund to be held in perpetuity, the income from which is expendable in support of a program operated by the Organization to provide services to persons impacted by family violence.

STAND! FOR FAMILIES FREE OF VIOLENCE
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments:

The Organization did not hold financial instruments for trading purposes at June 30, 2015 and 2014.

The carrying amount of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate their fair value due to the short-term maturities of these instruments.

The carrying amounts (which are fair value) of long-term investments are based on values provided by quoted market values.

The carrying amount of notes payable approximates fair value because those financial instruments bear interest at variable rates that approximate current market rates for notes with similar maturities and credit quality.

Investments:

The Organization carries the endowment investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value in the Statement of Financial Position. The Organization also carries some investments in a pooled investment account at their fair value in the Statement of Financial Position. The realized and unrealized gains and losses are allocated to the individual investors on a time and dollar weighted basis for the pool. The realized and unrealized gains and losses of the investment accounts are included in the change in net assets in the accompanying Statement of Activities.

In August 2008, the Financial Accounting Standards Board issued FASB Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Organization: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Organizational Funds Act (UPMIFA), and Enhances Disclosures for All Endowment Funds". FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to UPMIFA. FAS 117-1 also requires additional disclosures about an organization's endowment funds.

The State of California enacted UPMIFA effective January 1, 2009, the provisions of which apply to endowment funds existing on or established after that date. The Organization has adopted FSP FAS 117-1. The Board of Directors has determined their permanently restricted net assets meet the definition of endowment funds under UPMIFA.

STAND! FOR FAMILIES FREE OF VIOLENCE
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Accounts Receivable:

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if principal payments are not received in accordance with contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collectible. At June 30, 2015 and 2014, allowance for doubtful accounts was \$0.

Contributions and Pledges Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included in support until the conditions have been substantially met.

Property and Equipment:

Property and equipment are stated at cost if purchased or at the approximate fair value at the date placed in service, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives:

	<u>Years</u>
Buildings and improvements	10-30
Furniture and equipment	5-10
Leasehold improvements	15

It is the policy of the Organization to capitalize additions with costs greater than \$1,500.

Accumulated Vacation:

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The amount of accumulated vacation at June 30, 2015 and 2014 was \$167,108 and \$176,445, respectively.

Accumulated Sick Leave:

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the agency since payment of such benefits is not probable or estimable. Therefore, sick leave benefits are recorded as expenditures in the period sick leave is taken.

STAND! FOR FAMILIES FREE OF VIOLENCE
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Notes Payable:

The Organization does not accrue interest on the note payable to Contra Costa County. The Organization expects the note to be forgiven at the maturity date.

Revenue Recognition:

A substantial portion of program revenues is derived from restricted federal and state grants. Revenues are recognized as expenses are incurred by the programs.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as satisfaction of restrictions on temporarily restricted net assets.

Donated Materials and Services:

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

Income Tax Status:

The Organization has been granted tax-exempt status by the Internal Revenue Service under IRC Section 501(c)3 and the California Franchise Tax Board under Section 23701(d). The Organization is classified by the Internal Revenue Service as an other-than-private foundation. Accordingly, no provision for federal or state income taxes is made in the accompanying financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

Expense Allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are common to several functions are allocated based on estimates made by the Organization's management.

STAND! FOR FAMILIES FREE OF VIOLENCE
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Nature of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events:

Management has evaluated subsequent events through November 13, 2015, the date on which the financial statements were available to be issued.

Note 2. Concentrations of Credit Risk

Financial instruments that subject the Organization to concentrations of credit risk at June 30, 2015 and 2014, respectively, consist principally of accounts receivable. At June 30, 2015 and 2014, 100% of accounts receivable are from government contracts and grants.

The Organization had deposits in excess of FDIC limits of \$731,407 and \$912,276 for the years ended June 30, 2015 and 2014, respectively.

The Organization had uninsured investments of \$122,552 and \$129,964 for the years ended June 30, 2015 and 2014, respectively.

Note 3. Ground Lease Receivable

The Organization leases land at \$1 per year from Contra Costa County, upon which one of its facilities has been constructed. The lease started in 1989 with an initial term of ten years with three five-year extension options. If the contract is terminated by Contra Costa County, the ownership of the building and the improvements shall become the property of the County.

The Organization has recorded the present value of the estimated future lease payments at fair market value as a contribution receivable and increase to temporarily restricted net assets at June 30, 2015 and 2014. The receivable and the related discount were reduced by \$1,902 during the year ended June 30, 2015.

Note 4. Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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NOTES TO FINANCIAL STATEMENTS

Note 4. Fair Value Measurements (Cont.)

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1—quoted prices in active markets for identical investments.

Level 2—observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted price for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3—unobservable inputs not corroborated by market data, therefore requiring the entity to use the best information available in the circumstances, including the entity's own data.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. All of the cash and cash equivalents and investments invested in marketable securities are deemed to be Level 1 within the valuation hierarchy with the exception of the pooled investment account. The pooled investment account funds are valued at net asset value per unit. These pooled investment account funds are a fund of funds and are directly held funds, which in aggregate; represent a number of underlying funds with a wide range of investment strategies. These funds are deemed to be Level 2 within the valuation hierarchy. There are no Level 3 valuations.

Note 5. Investments

Investments consisted of the following at June 30, 2015:

	Investments at Fair Value			Total
	Level 1	Level 2	Level 3	
Money market	\$ 17,045	\$ --	\$ --	\$ 17,045
Mutual funds	104,851	--	--	104,851
Equity securities	267,701	--	--	267,701
Pooled investment account	--	189,037	--	189,037
Total	\$ 389,597	\$ 189,037	\$ --	\$ 578,634

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NOTES TO FINANCIAL STATEMENTS

Note 5. Investments (Cont.)

Investments consisted of the following at June 30, 2014:

	Investments at Fair Value			Total
	Level 1	Level 2	Level 3	
Money market	\$ 48,511	\$ --	\$ --	\$ 48,511
Mutual funds	78,431	--	--	78,431
Equity securities	250,098	--	--	250,098
Limited partnership	6,988	--	--	6,988
Pooled investment account	--	192,721	--	192,721
Total	\$ 384,028	\$ 192,721	\$ --	\$ 576,749

The following schedule summarizes the investment returns and its classification in the Statement of Activities for the years ended June 30:

	2015	2014
Investment income	\$ 15,232	\$ 10,604
Unrealized gains (losses), net	(22,106)	34,062
Realized gains, net	14,450	9,203
Total investment returns	\$ 7,576	\$ 53,869

Note 6. Endowment

The Organization's endowment consists of approximately one endowment fund – Rollie Mullen Endowment Fund. Its endowment includes only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the State Prudent Management of Organizational Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporary restricted net assets in a manner consistent with the standard of prudence prescribed by SPMIFA. However, in accordance with the Organization's accounting policy of restricted revenue and support (see Note 1), these earnings are reflected as unrestricted activity. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the endowment fund, (b) the purposes of the Organization and the donor-restricted endowment fund, (c) general economic conditions, (d) the possible effect of inflation

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NOTES TO FINANCIAL STATEMENTS

Note 6. Endowment (Cont.)

and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the Organization, and (g) the investment policies of the Organization.

Endowment net asset composition by type of fund consisted of the following as of June 30:

<u>2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u> --</u>	\$ <u> --</u>	\$ <u> 124,171</u>	\$ <u> 124,171</u>
<u>2014</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u> --</u>	\$ <u> --</u>	\$ <u> 124,171</u>	\$ <u> 124,171</u>

There was no change in endowment net assets for the year ended June 30, 2015 and 2014.

The Organization has adopted an investment policy for its endowment assets that attempt to provide a stream of funding for its mission supported by the endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The earnings on the Organization endowment assets are classified as unrestricted earnings.

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 7. Property and Equipment

Property and equipment and the related accumulated depreciation consisted of the following at June 30:

	2015	2014
Buildings and improvements	\$ 3,264,373	\$ 3,800,930
Land	505,000	505,000
Furniture and equipment	958,787	936,219
Leasehold improvements	20,314	20,314
	4,748,474	5,262,463
Less accumulated depreciation	(2,990,618)	(3,350,823)
	\$ 1,757,856	\$ 1,911,640

Note 8. Notes Payable

Notes payable consisted of the following at June 30:

	2015	2014
<p>Note payable to Contra Costa County, no annual payments, interest accrues at 3%, and the note matures in September, 2046. The intention of Contra Costa County is to forgive the loans and interest at maturity. The note is secured by a building with a net book value of \$1,374,253 and \$1,456,670 at June, 2015 and 2014. Restrictions have been imposed on the use of the building whereby the grant funds must be repaid if the building is not used permanently as housing for battered women and their children. These financial statements do not reflect an adjustment to discount this note.</p>	\$ 412,800	\$ 412,800
<p>Note payable to Mechanics Bank, monthly payments of \$2,397 including variable interest at 3.91% over the bank's current index; the rate was 6.25% at June 2015 and 2014. The note is secured by a building with a net book value of \$1,374,253 and \$1,456,670 at June, 2015 and 2014, respectively and matures April 2018.</p>	299,565	308,619
Total notes payable	712,365	721,419
Less current maturities	9,667	9,061
Totals	\$ 702,698	\$ 712,358

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 8. Notes Payable (Cont.)

Maturities of notes payable are as follows at June 30:

2016	\$	9,667
2017		10,313
2018		279,585
2019		--
2020		--
Thereafter		<u>412,800</u>
Total	\$	<u><u>712,365</u></u>

Note 9. Line of Credit

The Organization maintains a \$250,000 operating line of credit which matures in December 2015. There was no amount outstanding at June 30, 2015 and 2014. The interest rate, currently 4.25%, is set at prime plus one percentage point.

Note 10. Advance from HUD

The Organization has an advance from HUD in the amount of \$466,616. Beginning in October, 2000, 10% of the advance was forgiven annually if the building was used for domestic violence programs. As of June 30, 2015 and 2014, \$295,523 of the advance had been forgiven.

In April 2012, the Organization sold the building and as a result, the remaining balance of \$171,093 of the advance is payable on demand. The Organization is currently working with HUD to retain the advance for other buildings used for domestic violence programs.

Note 11. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30:

	2015	2014
Ground lease receivable	\$ --	\$ 1,902
Concord office building	6,417	18,261
Lesher Foundation grant	62,500	75,000
Kaiser Foundation YESS grant	<u>--</u>	<u>25,000</u>
	<u>\$ 68,917</u>	<u>\$ 120,163</u>

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 12. In-kind Donations

The Organization received more than 4,325 hours of donated services for administration, fund development and for the intervention and prevention programs. The in-kind donations are recorded as both revenue and expense, in accordance with accounting principles generally accepted in the United States of America and are valued as follows:

Services – valued at fair market wage for the particular service.

Materials – valued at fair market value or estimated value per donor.

The total in-kind revenues were as follows for the year ended June 30:

	2015	2014
Services	\$ 178,174	\$ 137,666
Materials	163,184	124,002
	\$ 341,358	\$ 261,668

Note 13. Lease Commitments

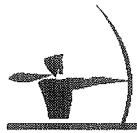
The Organization has a long-term operating lease of real property. The Organization has the option to extend the lease upon expiration. The Organization also has short-term operating leases on office equipment. Future minimum annual rental for the next five years on long-term lease commitments at June 30 are as follows:

2016	\$	55,949
2017		41,602
2018		41,717
2019		15,485
2020		6,959

Rent expense on all leases for the year ended June 30, 2015 and 2014 was \$78,566 and \$76,411, respectively.

Note 14. Pension Plan

The Organization sponsors a salary deferral plan in accordance with the provision of the Internal Revenue Code Section 403(b). An employee is defined as any person regularly employed by the Organization. According to the Plan, each employee may defer up to the smaller of an exclusion allowance of 20% of compensation or the maximum allowed by the Internal Revenue Service. The Organization matches contributions annually up to 2% of compensation, not to exceed \$2,000. For the year ended June 30, 2015 and 2014, the Organization's matching contributions were \$23,454 and \$21,170, respectively.



B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
STAND! For Families Free of Violence
(A Nonprofit Corporation)
Concord, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **STAND! For Families Free of Violence (A Nonprofit Corporation)** which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

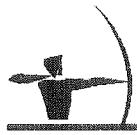
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bowman & Company, LLP

Bowman & Company, LLP
Stockton, California
November 13, 2015



B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
STAND! For Families Free of Violence
(A Nonprofit Corporation)
Concord, California

Report on Compliance for Each Major Federal Program

We have audited **STAND! For Families Free of Violence (A Nonprofit Corporation)** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2015. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bowman & Company, LLP

Bowman & Company, LLP
Stockton, California
November 13, 2015

SUPPLEMENTARY INFORMATION

**STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)**

**SCHEDULE OF THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY PROGRAMS**

For the Year Ended June 30, 2015

CalEMA Cost Category <u>STAND! expense accounts</u>	DVAP DV 14281136	
	Total Costs	Match Costs
Personnel services	\$ 295,005	\$ 20,002
Operating expenses	114,323	--
Equipment	--	--
Total expenditures	<u>\$ 409,328</u>	<u>\$ 20,002</u>

CalEMA Cost Category <u>STAND! expense accounts</u>	UUVAOP UV13041136/UV14051136	
	Personnel services	\$ 44,217
Operating expenses	<u>50,417</u>	<u>7,840</u>
Total expenditures	<u>\$ 94,634</u>	<u>\$ 36,136</u>

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal or State Grantor/ Program Title/ Pass-Through Grantor	CFDA Number	Award #/ Pass-Through Grantor 's Number	Federal Expenditures
FEDERAL:			
<u>U.S. Department of Housing and Urban Development</u>			
<u>Office of Community Planning and Development:</u>			
Supportive Housing Program	14.267	CA0188L9T051205	\$ 19,151
Supportive Housing Program	14.267	CA0188L9T051306	62,592
Emergency Solutions Grant Program			
Pass-through Contra Costa County	14.231	14-59-ESG	31,000
Pass-through Contra Costa County	14.231	N/A	15,000
Community Development Block Grants			
Pass-through City of Concord	14.218	N/A	8,936
Pass-through City of Walnut Creek	14.218	N/A	5,000
Pass-through City of Richmond	14.218	N/A	11,010
Total U.S. Department of Housing and Urban Development			152,689
<u>U.S. Department of Justice</u>			
<u>Violence Against Women Office:</u>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
Pass-through Contra Costa County	16.590	19-650-3/4	77,799
Pass-through Contra Costa County	16.590	19-650-5	56,483
Pass-through Contra Costa County	16.590	19-878-0	6,750
Pass-through Contra Costa County	16.590	19-813-1	1,723
Transitional Housing Assistance Program	16.736	2013-WHAX-0066	124,201
<u>Office for Victims of Crime:</u>			
Services for Trafficking Victims			
Pass-through Contra Costa County	16.320	19-935-0	48,893
Crime Victim Assistance			
Pass-through CA Emergency Management Agency	16.575	DV 14281136	209,309
Pass-through CA Emergency Management Agency	16.575	UV 13041136	28,317
Pass-through CA Emergency Management Agency	16.575	UV 13051136	66,317
Total U.S. Department of Justice			619,792
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program	97.024	Phase 32	15,000
Total U.S. Department of Homeland Security			15,000

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont.)
For the Year Ended June 30, 2015

Federal or State Grantor/ Program Title/ Pass-Through Grantor	CFDA Number	Award #/Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
<u>Administration For Community Living:</u>			
National Family Caregiver Support Pass-through EMQ Families First	93.052	N/A	266,340
<u>Office of Family Assistance</u>			
Healthy Marriage Promotion and Father Grants Pass-through Rubicon Families, Inc.	93.086	N/A	71,203
<u>Administration For Children and Families:</u>			
Promoting Safe & Stable Families	93.556	19-704-2/3	15,961
Promoting Safe & Stable Families	93.556	19-914-0	53,213
<u>Centers for Medicare and Medicaid Services:</u>			
Medical Assistance Program Pass-through Contra Costa County Health Services Department	93.778	74-051-21	690,000
Total U.S. Department of Health and Human Services			1,096,717
Total Expenditures of Federal Awards			\$ 1,884,198

Note A - Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note B - Sub-recipients:

STAND! For Families Free of Violence provided federal awards to sub-recipients as follows:

Program Title	CFDA Number	Amount Provided
Community Violence Solutions	16.575	\$ 12,413
Rainbow Community Center	16.575	39,312
Bay Area Legal Aid	93.671	22,000
		\$ 73,725

STAND! FOR FAMILIES FREE OF VIOLENCE
(A Nonprofit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued: unmodified
Internal control over financial report:
Material weakness(es) identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weakness(es)? _____ yes X none reported
Noncompliance material to financial
statements noted? _____ yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weakness(es)? _____ yes X none reported
Type of Auditors' report issued on compliance
for major programs: unmodified
Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.778</u>	<u>Medical Assistance Program</u>
<u>16.575</u>	<u>Crime Victim Assistance</u>

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000
Auditee qualified as low-risk auditee? X yes _____ no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None